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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING)	Order No.: S-17-2222-17-TO01
Whether there has been a violation of the)	
Securities Act of Washington by:)	SUMMARY ORDER TO SUSPEND REGISTRATION AND
)	NOTICE OF INTENT TO ENTER AN ORDER TO REVOKE
CITIUM WEALTH MANAGEMENT, LLC CRD)	REGISTRATION, IMPOSE A FINE, AND CHARGE COSTS
#138593 and J. TODD LARSON, CRD)	
#5073565)	
Respondents.)	

THE STATE OF WASHINGTON TO: CITIUM WEALTH MANAGEMENT, LLC, CRD# 138593
J. TODD LARSON, CRD # 5073565

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents have violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order summarily suspending Respondents' registration and giving notice of the intent to revoke Respondents' registration, to impose a fine, and to charge costs pursuant to RCW 21.20.110. The Securities Administrator finds that a delay in suspending Respondents' registration would be hazardous to the investors and to the public and that this Summary Order should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Citium Wealth Management, LLC, ("Citium") has been registered as an adviser with the Washington State Securities Division since 2006. Citium's investment adviser Central Registration Depository ("CRD") number is 138593.

SUMMARY ORDER TO SUSPEND REGISTRATION,
NOTICE OF INTENT TO ENTER AN ORDER TO REVOKE REGISTRATION,
IMPOSE A FINE, AND CHARGE COSTS

1 2. J. Todd Larson is the managing member of Citium. He has been registered as an investment
2 adviser representative with the Securities Division since 2006. His CRD number is 5073565.

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4 **Nature of the Conduct**

5 3. Each investment adviser registered with the Securities Division must make annual filings
6 with the director after the investment adviser's fiscal year-end.

7 4. An investment adviser must, under WAC 460-24A-060, file with the Securities Division a
8 fiscal year-end balance sheet within 120 days following the end of the fiscal year-end. The Securities
9 Division reviews these balance sheets to determine whether the investment adviser met the minimum
10 financial requirements as set forth in WAC 460-24A-170.

11 5. An investment adviser must, under WAC 460-24A-205, file an updated Form ADV with
12 CRD within 90 days of its fiscal year-end. This annual amendment must include any changes to Form ADV
13 Parts 1 and 2. The Securities Division reviews the annual updates to Form ADV to determine whether the
14 investment adviser is making necessary disclosure to investors.

15 6. Citium has a fiscal year-end of December 31. Citium's 2016 year-end balance sheet was due
16 by April 30, 2017 and the annual update to Form ADV was due by March 31, 2017.

17 7. As of Respondents' last Form ADV filed on April 8, 2016, Respondents managed
18 \$45,082,190 in 95 client accounts. Respondents have discretion, the ability to decide which securities to
19 purchase or sell for the client, in the client accounts.

20 8. On December 7, 2016, the Securities Division telephoned Citium to remind it about renewal.
21 There was no answer and the voicemail was full. The Securities Division followed up by sending Citium an
22 email reminder to timely file its renewal information. Citium responded stating the firm would be purchased
23 by year-end. The Securities Division then informed Citium that unless a succession or a Form ADV-W had
24 been filed by December 31, 2016, Citium would need to file the required annual update to Form ADV and
25 the year-end balance sheet.

1 9. The Securities Division sent Respondents at least six additional reminders by email to remind
2 Respondents to file the annual update for Form ADV and a balance sheet.

3 10. On June 5, 2017, the Securities Division again called Respondents to remind Respondents to
4 file the annual update to Form ADV and a balance sheet; however, there was no answer and the voicemail
5 box was full. The Securities Division then mailed Respondents another reminder, which was not returned as
6 undeliverable.

7 11. As of the date of this Summary Order, Citium has not submitted an annual update to Form
8 ADV or a 2016 fiscal year-end balance sheet.

9 12. The Securities Division is unable to determine whether Citium is complying with the
10 minimum financial requirements as set forth in WAC 460-24A-170 and cannot verify whether Citium is
11 conducting its business lawfully.

12 13. In addition, Respondents failed to timely file Citium's annual updating amendments to Form
13 ADV for the years ended December 31, 2013; 2014; and 2015.

14
15 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

16 **CONCLUSIONS OF LAW**

17 1. As set forth in the Tentative Findings of Facts, Respondent Citium, willfully violated WAC
18 460-24A-060 by failing to file a 2016 fiscal year-end balance sheet. Such conduct is grounds for an order to
19 suspend and revoke an investment adviser registration under RCW 21.20.110(1)(b).

20 2. As set forth in the Tentative Findings of Facts, Respondent Citium willfully violated WAC
21 460-24A-205 by failing to file an annual updating amendment to Form ADV parts 1 and 2 with 90 days of
22 its years ended December 31, 2016. In addition, Respondent Citium willfully violated WAC 460-24A-205
23 by failing to file an annual updating amendment to Form ADV parts 1 and 2 with 90 days of its years ended
24 December 31, 2013; 2014; and 2015. Such conduct is grounds for an order to suspend and revoke an
25 investment adviser registration under RCW 21.20.110(1)(b).

1 3. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 each constitute a
2 ground for the entry of an order imposing fines under RCW 21.20.110(4).

3 4. The willful violations of WAC 460-24A-060 and WAC 460-24A-205 each constitute a
4 ground for the entry of an order charging costs under RCW 21.20.110(7).

5 5. J. Todd Larson as the person who controls Citium is responsible for Citium’s violations of
6 WAC 460-24A-060 and WAC 460-24A-205 is subject to sanctions to the same extent as the investment
7 adviser under RCW 21.20.110(6).

8
9 **EMERGENCY**

10 The Securities Division has been unable to conduct its annual review of Citium’s investment adviser
11 business practices because Respondents have failed to make the required filings. Further, the Securities
12 Division cannot determine whether Citium meets the minimum financial requirements for investment
13 advisers or is providing investors with proper disclosure. Therefore, the Securities Administrator finds that
14 an emergency exists, that the continued violations of WAC 460-24A-060 and WAC 460-24A-205
15 constitutes a threat to the investing public and a summary order suspending Citium’s investment adviser
16 registration and J. Todd Larson’s investment adviser representative registration is in the public interest and
17 necessary of the protection of the investing public.

18
19 **NOTICE OF INTENT TO REVOKE REGISTRATION**

20 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and
21 Conclusions of Law, the Securities Administrator intends to order Citium Wealth Management’s investment
22 adviser registration and J. Todd Larson’s investment adviser representative registration be revoked.

1 **NOTICE OF INTENT TO IMPOSE FINES**

2 Pursuant to RCW 21.20.110(4), and based upon the above Tentative Findings of Fact and
3 Conclusions of Law, the Securities Administrator intends to order that Respondents each shall be liable for
4 and shall pay a fine of at least \$1,000.

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7 **NOTICE OF INTENT TO CHARGE COSTS**

8 Pursuant to RCW 21.20.110(7), and based upon the above Tentative Findings of Fact and
9 Conclusions of Law, the Securities Administrator intends to order that Respondents shall each be liable for
10 and shall pay costs of at least \$200.

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12 **SUMMARY ORDER**

13 Based upon the foregoing and finding it in the public interest,

14 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED under the authority of RCW
15 21.20.110(1) and (3) that Citium Wealth Management’s investment adviser registration and J. Todd
16 Larson’s investment adviser representative registration are suspended pending a final determination in this
17 proceeding.

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19 **AUTHORITY AND PROCEDURE**

20 This Order is entered pursuant to the provisions of chapter 21.20 RCW and is subject to the
21 provisions of Chapter 34.05 RCW. The Respondents may make a written request for a hearing as set forth
22 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying
23 this Order. If a Respondent does not request a hearing in the allowed time, the Securities Administrator
24 intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter an order
25 revoking the Respondents’ registrations and imposing the fines and charging the costs sought.

1 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

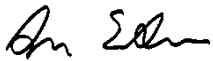
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3 DATED AND ENTERED THIS 22nd day of June, 2017.

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8 William M. Beatty
Securities Administrator

9 Approved by:

Presented by:

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13 Suzanne Sarason
Chief of Enforcement

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17 Kristen Standifer
Compliance Legal Examiner